



Senate

General Assembly

File No. 563

January Session, 2013

Substitute Senate Bill No. 962

Senate, April 18, 2013

The Committee on Planning and Development reported through SEN. CASSANO, S. of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING GROWTH-RELATED PROJECTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 16a-35c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2013*):

4 (a) As used in this section and sections 16a-35d to 16a-35g, inclusive:

5 (1) "Funding" includes any form of assurance, guarantee, grant
6 payment, credit, tax credit or other assistance, including a loan, loan
7 guarantee, or reduction in the principal obligation of or rate of interest
8 payable on a loan or a portion of a loan;

9 (2) "Growth-related project" means any project which includes (A)
10 the acquisition of real property when the acquisition costs are in excess
11 of [one] two hundred thousand dollars, except the acquisition of open
12 space for the purposes of conservation or preservation; (B) the

13 development or improvement of real property when the development
14 costs are in excess of [one] two hundred thousand dollars; (C) the
15 acquisition of public transportation equipment or facilities when the
16 acquisition costs are in excess of [one] two hundred thousand dollars;
17 or (D) the authorization of each state grant, any application for which
18 is not pending on July 1, 2006, for an amount in excess of [one] two
19 hundred thousand dollars, for the acquisition or development or
20 improvement of real property or for the acquisition of public
21 transportation equipment or facilities, except the following: (i) Projects
22 for maintenance, repair [, additions] or renovations to existing
23 facilities, acquisition of land for telecommunications towers whose
24 primary purpose is public safety, parks, conservation and open space,
25 and acquisition of agricultural, conservation and historic easements;
26 (ii) funding by the Department of Economic and Community
27 Development for any project financed with federal funds used to
28 purchase or rehabilitate existing single or multi-family housing or
29 projects financed with the proceeds of revenue bonds if the
30 Commissioner of Economic and Community Development determines
31 that application of this section and sections 16a-35d and 16a-35e (I)
32 conflicts with any provision of federal or state law applicable to the
33 issuance or tax-exempt status of the bonds or any provision of any
34 trust agreement between the Department of Economic and
35 Community Development and any trustee, or (II) would otherwise
36 prohibit financing of an existing project or financing provided to cure
37 or prevent any default under existing financing; (iii) projects that the
38 Commissioner of Economic and Community Development determines
39 promote fair housing choice and racial and economic integration as
40 described in section 8-37cc; (iv) projects at an existing facility needed to
41 comply with state environmental or health laws or regulations
42 adopted thereunder; (v) school construction projects funded by the
43 Department of Education under chapter 173; (vi) libraries; (vii)
44 municipally owned property or public buildings used for government
45 purposes; and (viii) any other project, funding or other state assistance
46 not included under subparagraphs (A) to (D), inclusive, of this
47 subdivision.

48 (3) "Priority funding area" means the area of the state designated
49 under subsection (b) of this section.

This act shall take effect as follows and shall amend the following sections:		
---	--	--

Section 1	<i>October 1, 2013</i>	16a-35c(a)
-----------	------------------------	------------

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: See Below

Explanation

The bill raises the threshold, from \$100,000 to \$200,000, at which certain state capital projects and grant authorizations are considered growth-related projects and thus must be undertaken in priority funding areas.

The bill decreases the amount of funding that could potentially be diverted away from projects not in priority funding areas by increasing the threshold at which projects qualify as growth-related.

The fiscal impact is not known, as priority funding areas have not yet been established. The Office of Policy and Management is required to designate them in the next state plan of conservation and development.

The Out Years

The ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 962*****AN ACT CONCERNING GROWTH-RELATED PROJECTS.*****SUMMARY:**

This bill raises, from \$100,000 to \$200,000, the threshold value at which certain state agency capital projects and grant authorizations are considered growth-related projects and thus, must be undertaken in designated priority funding areas. Existing law (1) requires the State Plan of Conservation and Development (C&D) to identify the boundaries for priority funding areas and (2) generally prohibits state agencies, departments, or institutions from providing funding for growth-related projects outside of them. The priority funding area boundaries will become effective upon the legislature's adoption of the next State Plan of C&D (see BACKGROUND).

By raising this threshold value, the bill aligns it with the threshold the law sets for state agency actions that must be consistent with the State Plan of C&D.

The bill also subjects state grants of more than \$200,000 to the priority funding area restrictions if the grant is for a project that adds to an existing facility. As under current law, grants for certain projects and activities, including for maintaining, repairing, or renovating existing facilities, continue to be exempt from the restrictions.

EFFECTIVE DATE: October 1, 2013

STATE FUNDING FOR GROWTH-RELATED PROJECTS***Project Thresholds***

Under current law, growth-related projects are those that include the:

1. acquisition of real property, other than open space for conservation or preservation purposes, costing more than \$100,000;
2. development or improvement of real property costing more than \$100,000;
3. acquisition of public transportation facilities or equipment costing more than \$100,000; and
4. authorization of state grants, with certain exceptions, of more than \$100,000, if the grant application was not pending on July 1, 2006, to (a) acquire, develop, or improve real property or (b) acquire public transportation equipment or facilities.

The bill increases the thresholds for these projects and grants to \$200,000. By law, when the state agency actions described above exceed \$200,000 and are funded by the state or federal government, they must be consistent with the State Plan of C&D (CGS § 16a-31).

BACKGROUND

2013-2018 State Plan of C&D

The State Plan of C&D is a statement of the state's development, resource management, and public investment policies. The Office of Policy and Management develops the plan, which goes before the legislature for hearings and approval.

The legislature is scheduled to vote on adopting the next plan revision during the current session. The Continuing Legislative Committee on State Planning and Development held a public hearing on the 2013-2018 State Plan of C&D on February 22, 2013 and, on April 8, 2013, voted to submit the plan to the General Assembly for its approval.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 19 Nay 0 (04/02/2013)